

Information Bulletin

PST-31

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THE PROVINCIAL SALES TAX ACT

HUNTING AND FISHING LODGES AND OUTFITTERS

This bulletin has been prepared to help you apply and collect the Provincial Sales Tax (PST). It is a general guide and not a substitute for the legislation.

Changes to this bulletin are indicated by a (I) in the left margin.

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A. REGISTRATION REQUIREMENTS

Operators of hunting and fishing lodges and outfitters are required to be licensed with a PST Vendor License number. There are no minimum annual sales for this requirement, and PST must be collected and remitted on all taxable sales as outlined in this bulletin. The PST return form is used to report and remit any tax collected and tax due on taxable goods and services purchased for personal or business use.

If you qualify as a small supplier for GST purposes, you may be exempt from collecting PST on guide services and recreational activities. However, a small supplier is not exempt from PST registration and the requirement to collect PST on sales of any other taxable goods and services. For additional information regarding the small supplier exemption, please see Information Bulletin [PST-76, Admissions, Entertainment and Recreation](#).

For information regarding Licenced Vendor responsibilities and tax return filing, please see Information Bulletin [PST-5, General Information](#).

B. ACCOMMODATION SERVICES AND MEALS

Accommodation services, meals and other prepared food and beverages are subject to PST on the total price charged to the customer, excluding the GST.

Accommodation services provided to non-residents are also subject to tax. A refund of tax is not available.

Accommodation services provided for a continuous period of 30 days or more to residents or non-residents are not subject to tax.

Accommodation Services Provided Through Online Platforms

- **Online Accommodation Platform** means an electronic marketplace that enables or facilitates transactions in relation to accommodation services located in Saskatchewan.
- PST applies to charges for accommodation services that are delivered or accessed through an online accommodation platform.

Note: Online platforms providing classified advertising or listing services that do not collect payment on behalf of the individual or business offering accommodation services through their platforms are not considered to be online accommodation platforms for PST purposes.

An accommodation service provider, who makes retail sales exclusively by way of an online accommodation platform, is not required to be licensed as a vendor to collect and remit Saskatchewan PST, when the operator of the online accommodation platform is licensed and collecting the tax.

Fees Between Online Accommodation Platforms and Accommodation Service Providers

Fees charged to accommodation service providers by the operator of a registered online accommodation platform in relation to taxable goods or services are subject to PST. For example, charges that cover taxable services, such as website design, update or maintenance, support services, marketing services or materials, or taxable insurance products, are subject to PST. However, charges in relation to sales commission and transaction processing fees are not subject to PST.

Note: In situations where an accommodation service provider has consumption tax obligations in relation to Saskatchewan, the accommodation service provider is required to be registered to report and remit the applicable tax to The Ministry of Finance. For further information, please review sets.saskatchewan.ca/taxinfo.

For further information, please refer to Information Notice [IN 2020-08, *Electronic Distribution Platforms, Online Accommodation Platforms and Marketplace Facilitators*](#).

For further information on accommodation services in general, please refer to Information Bulletin [PST-47, *Accommodation Services*](#).

C. GUIDE SERVICES AND EQUIPMENT RENTALS

1. Guide Services

Effective October 1, 2022, guide services are subject to tax on the total charge to the customer including admission fees, guide fees, recreational fees, administration and service fees etc., but not the Goods and Services Tax (GST).

Prior to October 1, 2022, guide services are not subject to PST. Businesses providing these services are required to pay tax on the cost of all equipment used to provide the service, including repairs. Both new and used equipment are subject to tax.

If tax is not paid to the supplier on the purchase of the equipment, it must be self-assessed and remitted on the regular return form. See Section K.

Businesses providing guide services that occasionally rent out their equipment without a guide are required to collect PST on the rental charges.

2. Equipment Rentals

Businesses renting out equipment such as boats, motors and fishing and hunting equipment are required to collect PST on the charges to their customer.

The business may purchase the rental inventory exempt from PST by quoting their vendor's licence number to the supplier. Repairs to rental inventory may also be purchased exempt from tax.

If the equipment is provided to the customer as part of a package, with no segregation for the equipment rentals, the business is required to pay tax on the cost of the equipment.

Effective October 1, 2022, the total charge to the customer for guide services, recreational activities, and equipment rentals is subject to tax.

3. Businesses Providing both Guide Services and Equipment Rentals

Businesses providing both guide services and equipment rentals will hold either a tax-free or tax-paid rental inventory depending on which activity provides higher revenue.

Businesses predominantly providing guide services are required to pay tax on their equipment. PST must also be collected on the invoice to customers when the equipment is rented out without a guide.

Businesses predominantly providing rentals of equipment will be required to self-assess the PST on the fair market value for the rental when equipment is taken from their tax-free inventory for use in providing a guide service to their customer.

Alternatively, businesses providing both guide services and rentals may choose to maintain both a tax-free and a tax-paid inventory for each aspect of their business.

For further reference, please see Information Bulletin [PST-72, Rental Businesses](#).

D. **ALL-INCLUSIVE PACKAGES**

Effective October 1, 2022

Tax applies to the total charge for guide services and recreational activities provided in Saskatchewan, including admission fees, guide fees, recreational fees, administration and service fees etc., but not the Goods and Services Tax (GST).

PST applies on the same basis as the GST for admissions and entertainment, therefore when tax applies for GST purposes, PST also applies.

Transportation that is a component of an all-inclusive package forms part of the recreational activity and is subject to tax. However, charges for transportation services provided and invoiced by a third-party transport company are not subject to tax (i.e. airline tickets, taxi-fares, etc). The value of taxable and exempt components must be listed separately on your customer's invoice with PST applied to the taxable portions. If these amounts are not listed separately, PST applies to the total package price.

Prior to October 1, 2022

Charges for guide fees, transportation and recreational fees are not subject to tax. Where accommodation services and meals are included in a package with these services, tax must be collected on the accommodation and meal portion by using one of the following methods:

1. Where there is a normal advertised room rate for accommodation services only, segregate this amount on the invoice and collect tax on the accommodation portion.

Example:

1 person staying 4 nights:

Hunting package*	\$3,000.00
Rental of boat and fishing equipment	200.00
Hunting license	360.00
Cabin rental and meals (4 nights @ \$70/night/person, includes 2 meals/day)	280.00
SUBTOTAL	\$3,840.00
PST (Equipment rental \$200 & accommodation/meals \$280, \$480 x 6%)	<u>28.80</u>
TOTAL	\$3,868.80

*Hunting package includes transportation and a guide service.

2. In the absence of a normal room rate for accommodation, PST is to be applied on a flat rate of \$50 per night per person for the accommodation rate.

Example:

1 person staying 3 nights:

Hunting package*	\$3,600.00
Rental of boat and fishing equipment	200.00
Hunting license	360.00
SUBTOTAL	\$4,160.00
PST (Equipment rental \$200 & accommodation 3 nights@\$50/night/person, \$350 x 6%)	<u>21.00</u>
TOTAL	\$4,181.00

*Hunting package includes transportation, 3 nights' accommodation at \$50 per night per person and a guide service.

Meals and other prepared food and beverages are subject to PST. Where the package price is for accommodation and meals only, such as at bed and breakfast facilities, tax applies to the total price.

Transition Rules

PST does not apply to any payments for guide services and recreational activities that were made or became payable prior to October 1, 2022, even if they relate to services and activities occurring on or after October 1, 2022 or spanning October 1, 2022.

For these amounts to be exempt from PST, they must form part of a travel package that was booked, invoiced, and resulted in payment being received prior to October 1, 2022, even if part of the payment for the package occurs after that date.

PST applies to all payments for taxable guide services and recreational activities that are made or become payable on or after October 1, 2022, for taxable services and activities occurring on or after October 1, 2022.

Payments for guide services and recreational activities that occurred prior to October 1, 2022, are not subject to PST regardless of the billing or payment date.

E. PURCHASES FOR RESALE

Taxable goods and services purchased for resale and included in a package of taxable guide services or recreational activities (i.e. equipment for sale or rent, supplies, prepared meals, accommodations, and park entry fees) may be purchased exempt of the PST by quoting your Vendor's Licence number to your suppliers, providing you are not a small supplier and exempt from collecting the PST on guide services and recreational services.

If you qualify as a small supplier, you are required to collect the PST on all taxable components (other than guide services or recreational activities) as outlined in Section D, in the same manner as for sales made prior to October 1, 2022.

F. OTHER TAXABLE SALES

PST must be collected on the following sales:

- Fishing and hunting equipment and supplies
- Frozen bait
- Laundry and dry cleaning services
- Cleaning services, whether included in the charge for taxable accommodation services, or segregated on the invoice
- Souvenirs
- Beverages, prepared food and snacks sold in a form for immediate consumption

Note: If your business sells beverages, snack foods or grocery items, please refer to Information Bulletin [PST-2, Grocery, Convenience and Drug Stores](#).

Alcoholic beverages are not subject to PST but are subject to Liquor Consumption Tax (LCT) at a rate of 10 per cent on the total price paid by your customer, excluding GST. For further information, please refer to Information Bulletin [LCT-1, Liquor Consumption Tax](#).

G. EXEMPT GOODS AND SERVICES

PST does not apply on charges for the following, providing the charges are reasonable and segregated on the customer's invoice:

- Fishing and hunting licences
- Live bait
- Boat launch fees
- Boat storage fees, marina or land
- Basic groceries (see Information Bulletin [PST-2, Grocery, Convenience and Drug Stores](#))
- Telephone calls and internet services. The business is required to pay tax to their telecommunication provider on these services.
- A booking fee from an online accommodation platform to the customer, that is segregated on the invoice and separate from the charges for the accommodation services.
- Charges for transportation services provided and invoiced by a third-party transport company (i.e. airline tickets, taxi-fares, etc.).

H. EXEMPT SALES

Sales of taxable goods and services to the following are exempt from tax:

- Sales to federal government departments and agencies. (**Note:** Sales to federal crown corporations and provincial government ministries, agencies and crown corporations are **taxable**). Employees who are billed directly are required to pay the tax.
- Other vendors for resale providing their vendor's licence number is recorded.
- Residents or non-residents providing the goods and services are shipped or delivered out of the province by the retailer.
- Sales of goods to status Indians or Indian Bands are not subject to tax providing the goods are delivered to a reserve by the retailer and the *Certificate of Indian Status Identification Card* or band number is recorded on the invoice. The complete 10-digit card number must be recorded on the sales invoice. If the federal identification card number is only three to five digits, record the number and the name of the band on the sales invoice. **Proof of delivery to the reserve must be retained.**

I. PROMOTIONAL TICKETS AND SPONSORSHIPS

Operators of hunting and fishing lodges are not required to account for PST on the value of any guide services and recreational activities they give away for promotional purposes free of charge or include in a sponsorship package. However, they must account for PST on the value of any other taxable items included with the guide services and recreational activities, such as prepared meals and merchandise, or taxable services such as advertising or accommodations.

Vendors are required to keep a record of all complimentary admissions, entertainment, or recreation and retain supporting documentation for audit verification purposes.

Taxable merchandise and admissions, entertainment or recreation, as well as taxable services, that are **purchased** for promotional purposes, samples, prizes or gifts are subject to tax at the time of purchase. If the tax is not paid to the supplier, the tax must be submitted with your return on the purchase price, or on the laid-down cost when purchased from outside the province.

Operators of hunting and fishing lodges who have self-assessed PST on the value of any guide services and recreational activities given away free of charge or included in a sponsorship package may take an internal credit or submit a [Refund Application](#) along with supporting documentation.

J. SALES OF USED BUSINESS ASSETS

Businesses are required to collect tax on the sale of used assets, such as taxable vehicles and equipment. When used assets are being sold as part of the closure of a business, the purchaser is required to self-assess and report the tax.

When individuals purchase used goods for personal use, other than vehicles, tax applies to the selling price of the goods less a deduction of \$300 per item. If a trade-in is involved, the

purchaser is entitled to a deduction of \$300 or the value of the trade-in, whichever is greater. If the goods are for commercial use, the \$300 deduction does not apply.

For further information please see Information Bulletin [PST-58, Used Goods](#).

K. GOODS AND SERVICES FOR YOUR OWN USE

Businesses are required to pay tax on purchases of new and used equipment, supplies and taxable services purchased for use in their business operations. Tax is payable as follows:

- When purchased from a licensed supplier, the tax must be paid to the supplier at the time of purchase.
- When purchased from a supplier who did not collect the tax, or when taken from an exempt resale inventory, the tax must be self-assessed and remitted with the regular tax return. This includes goods taken for personal or business use.
- When purchased from an unlicensed supplier located outside Saskatchewan, the tax must be self-assessed and remitted with the regular tax return on the laid down cost, which includes currency exchange, transportation charges, customs and excise duties, and importation charges; but not the GST.

L. TAX TIPS LINE

When a business or individual does not comply with provincial tax legislation, businesses face unfair competition and a burden is placed on all taxpayers who do comply. It causes significant loss in the revenue available to fund services such as health, education and other important government programs.

Tax Tips Line provides an anonymous, fully confidential way for the public to report businesses or individuals who are participating in tax fraud. If you suspect that a business or individual is being dishonest with their provincial taxes or is misrepresenting their activities to reduce their taxes, you can report them using Tax Tips Line.

Please visit our website at sets.saskatchewan.ca to find out more regarding types of tax fraud and the information to report, if possible.

Tax Tips Line is specifically and solely for information related to provincial tax compliance. Any unrelated inquiries or information will not be addressed by the Tax Tips Line, and should be directed to the appropriate organization.

How to Report:

- 1) Toll-free 1-833-334-8477
- 2) Write: Ministry of Finance
Revenue Division
PO Box 200
REGINA SK S4P 2Z6
- 3) [Online Form Submission](#)

M. SASKATCHEWAN eTAX SERVICES (SETS)

Finance has made it possible to report and remit tax electronically through a secure, fast, easy and convenient online self-service portal. Several services are currently available to businesses through SETS:

- Register for secure, self-managed access to all your tax accounts.
- Apply for a new tax account.
- File and pay returns and amend previously filed returns.
- Make payments on account, including post-dated payments.
- View account balance and statement information.
- Authorize employees or accountants to file on your behalf.
- Receive notifications by email when a tax return should be filed. This replaces the paper forms usually sent in the mail.
- Submit a service request to update the mailing address or add a new business location.
- Submit a service request to receive tax information, interpretations or rulings related to your specific business activities.
- View and download up-to-date tax information promptly.
- Subscribe to receive email notifications when new and revised tax publications are available.

FOR FURTHER INFORMATION

Write: Ministry of Finance
Revenue Division
PO Box 200
REGINA SK S4P 2Z6

Telephone: Toll Free 1-800-667-6102
Regina 306-787-6645

Email: sasktaxinfo@gov.sk.ca

Internet: Tax bulletins, forms and information are available at www.sets.saskatchewan.ca/taxinfo.

To receive automatic email notifications when this or any other bulletin is revised, go to www.sets.saskatchewan.ca/subscribe.

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Government website: Saskatchewan.ca